



State Water Resources Control Board NPDES Fee Workshop July 6, 2011

Background

- How we got here?
- Guiding Principles from first Workgroup:
 - Stable from year to year – predictable
 - Fees need not match exact level of effort for specific discharger
 - Fees should not be used to or discourage policies
- Members of the Stakeholders Workgroup.

Agreements

- Do not use actual flow to calculate the fee.
- Eliminate Industrial Category Surcharge.

NPDES Program

- Program costs remain the same
- Program cost shifting from General Fund to fees
- 39.5% fee increase
- Current method of assessing fees:
 - Base fee
 - Cost per Million Gallons Per Day (MGD)
 - Cap
- Flat fee for General Permits

Chart 1A

Scenario 1 - Fee Schedule			
	FY 10-11	FY 11-12	Percent Increase
Base	\$1,000	\$1,395	39.5%
Cost per MGD	\$1,768	\$2,467	39.5%
Maximum Cap*	\$250,000	\$348,775	39.5%
General Cat 1	\$5,760	\$8,036	39.5%
General Cat 2	\$3,480	\$4,855	39.5%
General Cat 3	\$1,200	\$1,674	39.5%

*Does not include the Industrial category surcharge, pretreatment surcharge or wet weather fee.

Sector Allocation Model

- Based on 2001 Needs Analysis
- Modeling to assign costs to different Sectors:
 - Municipal
 - Industrial
 - General
- SEPPs were then separated from Industrial

Chart 1

	Needs Analysis	
Sector	Total Revenue	Percentage of Revenue
General	\$5,358,287	25.3%
Municipal	\$8,683,390	41.0%
Industrial (including SEPP)	\$7,137,323	33.7%
Totals:	\$21,179,000	100%
Industrial (without SEPP)	\$6,290,163	29.7%
SEPP	\$847,160	4.0%

Chart 1B

	Status Quo		Sector Allocation	
Sector	Total Revenue	Percentage of Revenue	Total Revenue	Percentage of Revenue
General	\$3,991,102	18.9%	\$5,358,287	25.3%
Municipal	\$8,410,287	39.8%	\$8,683,390	41.0%
Industrial (including SEPP)	\$8,706,804	41.2%	\$7,137,323	33.7%
Totals:	\$21,108,193	100%	\$21,179,000	100%
Industrial	\$2,603,623	12.3%	\$6,290,163	29.7%
SEPP	\$6,103,181	28.9%	\$847,160	4.0%

Scenario 2 – Sector Allocation Approach

- Increase SEPP Allocation percent from 4% to 5%
- Industrial sector decreased from 29.7% to 28.7%
- Would require 4 different fee structures, one for each sector

Chart 2A	Status Quo		Scenario 2	
Sector	Total Revenue	Percentage of Revenue	Total Revenue	Percentage of Revenue
General	\$3,991,102	18.9%	\$5,312,506	25.3%
Municipal	\$8,410,287	39.8%	\$8,609,313	41.0%
Industrial	\$2,603,623	12.3%	\$6,021,243	28.7%
SEPP	\$6,103,181	28.9%	\$1,057,400	5.0%
Totals:	\$21,108,193	100%	\$21,000,462	100%
Industrial/SEPP	\$8,706,804	41.2%	\$7,078,643	33.7%

Chart 2B

Scenario 2 - Fee Schedule					
	Status Quo	General	Municipal	Industrial	SEPP
Base	\$1,395		\$2,674	\$2,200	\$62,200
Cost per MGD	\$2,467		\$2,652	\$8,108	
Maximum Cap*	\$348,775		\$280,000	\$450,000	\$62,200
General Cat 1	\$8,036	\$10,696			
General Cat 2	\$4,855	\$6,462			
General Cat 3	\$1,674	\$2,228			

*Does not include the pretreatment surcharge or wet weather fee.

Scenario 3 – Combined Industrial and SEPP

- Returns the SEPPS to the Industrial sector
- Increase base fee above the fee for a General Category 3 permit

Chart 3A		Status Quo		Scenario 3	
Sector	Total Revenue	Percentage of Revenue	Total Revenue	Percentage of Revenue	
General	\$3,991,102	18.9%	\$5,312,506	25.3%	
Municipal	\$8,410,287	39.8%	\$8,600,365	41.0%	
Industrial/SEPP	\$8,706,804	41.2%	\$7,084,979	33.7%	
Totals:	\$21,108,193	100%	\$20,997,850	100%	
Industrial	\$2,603,623	12.3%	\$2,579,979	12.3%	
SEPP	\$6,103,181	28.9%	\$4,505,000	21.5%	

Chart 3B

Scenario 3 - Fee Schedule		
	Status Quo	Scenario 3
Base	\$1,395	\$2,897
Cost per MGD	\$2,467	\$2,680
Maximum Cap*	\$348,775	\$265,000
General Cat 1	\$8,036	\$10,696
General Cat 2	\$4,855	\$6,462
General Cat 3	\$1,674	\$2,228

*Does not include the pretreatment surcharge
wet weather fee.

Scenario 4 – Modified Combined Industrial and SEPP

- A variation on the third scenario, with the added objective of minimizing the effect of large fee increases to the low flow dischargers.
- This scenario is also an example of how the fee structure can be adjusted to achieve various objectives.

Chart 4A	Status Quo		Scenario 4	
Sector	Total Revenue	Percentage of Revenue	Total Revenue	Percentage of Revenue
General	\$3,991,102	18.9%	\$4,884,269	23.3%
Municipal	\$8,410,287	39.8%	\$8,818,904	42.0%
Industrial/SEPP	\$8,706,804	41.2%	\$7,291,820	34.7%
Totals:	\$21,108,193	100%	\$20,994,993	100%
Industrial	\$2,603,623	12.3%	\$2,548,820	12.1%
SEPP	\$6,103,181	28.9%	\$4,743,000	22.6%

Chart 4B

Scenario 4 - Fee Schedule		
	Status Quo	Scenario 4
Base	\$1,395	\$2,176
Cost per MGD	\$2,467	\$2,840
Maximum Cap*	\$348,775	\$279,000
General Cat 1	\$8,036	\$10,696
General Cat 2	\$4,855	\$5,658
General Cat 3	\$1,674	\$1,674

*Does not include the pretreatment surcharge
wet weather fee.